

Frequently Asked Questions – Commonwealth Healthcare Network Fund (CHNF)

1. What is the Healthcare Connect Fund (HCF)?

The FCC, through the Universal Services Administrative Corporation, since 1997, has offered subsidies for broadband services to rural, not-for-profit healthcare facilities. The program has never fully reached the potential that was envisioned by the federal agencies, and so it has gone through at least two significant revisions. The most recent change dramatically alters the program, increases the subsidy amount and provides for a consortium application that will include many healthcare facilities that were previously ineligible, including administrative offices and data centers and urban healthcare facilities may participate if the majority of sites are rural.

2. Why is this important to me?

- If you have been participating in this program in the past, the subsidies are probably significantly higher than you have been receiving in the past. Also, more healthcare facilities will be eligible, so if you have any sites that are considered “urban”, then it is possible that they will now be eligible for subsidy. Also, administrative offices and data centers which were not previously eligible, may now also be eligible. The Office of Broadband Outreach and Development, part of the Finance and Administration Cabinet will be the administrative agency at the state that will be responsible for the consortium application, but each member site will still have significant responsibility to gather information for the application.
- If you have not been participating in this program, then you may have an opportunity to reduce the cost of your broadband services by 65%
- If you currently feel you have sufficient broadband services, you may simply reduce the cost of your current broadband services, or if you feel that your current services are not sufficient, you may be able to substantially increase your broadband services and still significantly reduce your costs.
- If current infrastructure is not sufficient, you may be able to apply to build new broadband infrastructure capacity.

3. Who can participate?

- Non-Profit rural healthcare facilities. “Rural area” is defined based on the location of a Health Care Provider (HCP) site relative to a Core Based Statistical Area (CBSA), a geographic area based around an urban center of at least 10,000 people.
- As part of the Kentucky Consortium application, rural administrative offices and data centers for rural, non-profit healthcare facilities may also be included
- As part of the Kentucky Consortium application, urban, non-profit healthcare facilities, administrative offices and data centers may participate in the subsidy program if more than 50% of the facilities in the application are considered rural.
- 400+ bed urban hospital subsidies will be limited to no more than \$30,000/year and no more than \$70,000 in any 5 year period of time.

4. Why is the state involved?

- Healthcare services are vital to our rural communities, and as the healthcare industry embraces information technology, such as telehealth, electronic health records, digital archiving of radiologic images, the Kentucky Health Information Exchange and the general modernization of the healthcare industry, broadband services will be critical to healthcare provider’s success.
- The implementation of healthcare reforms and the mandate to achieve Meaningful Use to avoid financial penalties from Medicare and Medicaid is also driving the need to have appropriate broadband technologies for electronic submission of billing, e-prescribing and other e-health activities mandated in the new reforms.
- A strong, community-based healthcare system is an economic development building block that helps a community thrive and the state of Kentucky is supporting our rural communities by creating this statewide consortium of healthcare providers to reduce their broadband costs and increase access to the broad range of modern e-health services that will benefit all Kentuckians.

5. How do I participate?

- Respond to the instruction within this correspondence to express your interest prior to July 31, 2013.
- You will receive a non-binding “letter of interest” form that will require you to list all individual sites you would like to be members of the consortium, provide a contact name, number and e-mail and have an authorized signatory sign the letter.
- All who submit a “letter of interest” will receive a “letter of agency” authorizing the state to apply for the Healthcare Connect Fund subsidy for each targeted facility. You will be responsible for completing an inventory of broadband services at each of your sites and determining if you wish to increase the broadband services at any sites. We expect that all services must be provided through the state’s “Kentucky Information Highway (KIH3)”/AT&T master services agreement.
- The application from the state will be submitted in the fall of 2013 and if approved, funding will commence January 1, 2014.
- Beginning in January, each health care provider will be billed 100% of the cost of all broadband services. They will pay 35% of the cost and will verify with the state that they have paid that cost. Once verified, the state will authorize the HCF to pay the KIH3/AT&T 65% subsidy.
- There will be an administrative expense that must be paid by each healthcare facility that participates in the program. The amount has yet to be determined, but it is expected to be 5-10% of the subsidy amount.

If you have questions about the program, please forward them to chnf@ky.gov. We will either call or email you with a response.

OTHER RESOURCES:

Main web page for the Healthcare Connect Fund – Under the Universal Services Administrative Company
<http://www.usac.org/rhc/healthcare-connect/default.aspx>

HCF highlights

<http://www.usac.org/res/documents/rhc/pdf/hcf/HCF-Highlights.pdf>

HCF FAQ's

<http://www.usac.org/res/documents/rhc/pdf/fcc/FCC-HCF-FAQs.pdf>

FCC HCF order and Appendix D: Final rules

http://www.usac.org/res/documents/rhc/pdf/fcc/13.02.25_Linked_Order.pdf

http://www.usac.org/res/documents/rhc/pdf/fcc/13.02.25_Appendix_D.pdf

Rural healthcare program and HCF application process timeline

<http://www.usac.org/res/documents/rhc/pdf/hcf/HCF-Application-Process-Timeline.pdf>

33 minute presentation by the FCC, providing an overview of the RHC program

<http://www.usac.org/res/flash/rhc/FCC-HCF-01.13/player.html>

slides and transcript of the presentation above

<http://www.usac.org/res/flash/rhc/FCC-HCF-01.13/FCC-HCF-01.13.pdf>

FCC website with HCF information – There are many links to other information

<http://www.fcc.gov/encyclopedia/rural-health-care>